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Volume 8

Reserve

MILK MARKET INFORMATION
U. S. DEPT. OF AGRICULTURE
CHATTANOOGA, TENNESSEE MARKETING AREA
NATIONAL AGRICULTURAL LIBRARY

Number 5

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Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

CURRENT SERIAL RECORDS

MARKET SUMMARY DECEMBER 1963

The MINIMUM uniform producer price is \$4.62 per cwt. f.o.b. Chattanooga Area Pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 7.4 cents for each one-tenth of one percent above or below 3.5%.

During December 84.5% of the total producer milk was priced in Class I at \$4.97 per cwt. with a butterfat differential of 7.6 cents and 15.5% in Class II at \$3.12 per cwt. with a butterfat differential of 6.7 cents. The daily average use of Gross Class I milk decreased 7.2% compared with November 1963 and increased 19.2% compared with December 1962.

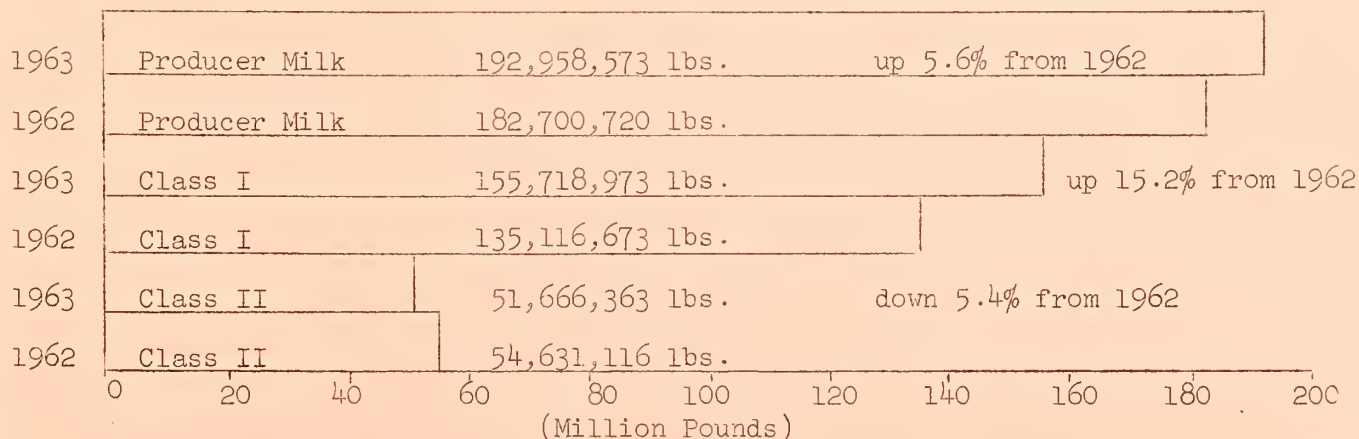
Daily average delivery of milk from producers was 519,303 pounds in December 1963, an increase of 2,174 pounds per day compared with November 1963 and an increase of 22,572 pounds compared with December 1962. Percentage-wise, December deliveries increased 0.4% compared with November 1963 and increased 4.5% compared with December 1962.

MILK SAMPLES TESTED - Producer Fresh Samples 5,868 - Handler Finished Products 201. During December an average of 8.6 samples per producer was used to determine butterfat content and pay test. Other samples were used by the plants and various agencies to determine water, bacteria, solids-not-fat, antibiotics, etc.

NUMBER OF FARM PAYROLL ACCOUNTS

	1962	1963											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
New	1	0	30	1	52	4	3	1	3	7	2	0	2
Quit	5	2	2	34	7	9	4	4	5	8	7	5	3
Total	668	666	694	661	706	701	700	697	695	694	689	684	683

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION (JANUARY THRU DECEMBER)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Dec. '63</u>	<u>Nov. '63</u>	<u>Dec. '62</u>
Number of Plants (Pool and Non-Pool)	13	14	14
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries	519,303	517,129	496,731
% December '63 compared with:	100.0	100.4	104.5
Other Source	10,729	18,159	10,222
Other Order	24,872	5,857	6,437
Total Milk Receipts	554,904	541,145	513,390
% December '63 compared with:	100.0	102.5	108.9
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	364,718	393,393	299,535
Fluid Skim	22,274	23,816	17,442
Buttermilk	41,923	46,554	39,808
Flavored Milk & Drink	9,963	11,897	8,013
Fluid Creams (Sweet & Sour)	3,083	2,925	2,954
Bulk to Non-Handlers	166	307	3,482
Shrinkage Class I	1,284	451	1,154
Other	-	(1,746)	(335)
Total Class I Milk	443,411	477,597	372,053
% December '63 compared with:	100.0	92.8	119.2
Class II Uses:			
Butter	3,968	1,773	6,637
Cottage Cheese	14,287	17,264	13,382
Powdered and Condensed Milk	44,026	6,960	71,041
Ice Cream	26,377	25,589	27,485
Stockfeed	4,424	4,260	4,112
Shrinkage Class II	8,335	7,834	7,351
Other	10,076	(132)	11,329
Total Class II Milk	111,493	63,548	141,337
% December '63 compared with:	100.0	175.4	78.9
Gross Class I Butterfat Pounds	15,895	17,009	13,175
Gross Class II Butterfat Pounds	8,042	5,568	9,061
Total Butterfat Pounds	23,937	22,577	22,236
% Producer Milk of Gross Class I	117.1	108.3	133.5
% Producer Milk priced in Class I	84.5	91.4	74.0

JANUARY 1964 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Jan. '64</u>	<u>Dec. '63</u>	<u>Jan. '63</u>
Basic Formula	\$3.16	\$3.16	\$3.11
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.06	0.06	(0.16)
Class I Price, 3.5% Butterfat	\$4.97	\$4.97	\$4.70
Per \$ 1090.51 (a)			
Supply-Demand Comparison: 1st and 2nd preceding months: November and December			
Supply: Lbs. Producer Milk (Nov. 15,513,870 and Dec. 16,098,395)			31,612,265
Demand: Lbs. Net Class I Milk (Nov. 14,230,894 and Dec. 13,604,389)			27,835,283
Utilization Percentage: Producer milk divided by Class I			114
Standard Utilization Percentage: Range 117-121			117
Net Deviation Percentage: Utilization minus Standard Utilization			minus 3
Supply-Demand Adjustment: 2 cents x 3 percentage points			plus \$0.06

Since the supply in relation to the demand is less than the desired standard, the price is increased 6 cents per hundredweight (2 cents x 3 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICES FOR DECEMBER 1963

Based on 12 plant reports prior to audit (One plant excluded per § 1090.72(a))

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		13,068,804	3.571		
Less Other Source		141,352	2.555		
Producer Milk Class I	83.9	12,927,452	3.581665	\$5.032065	\$650,517.79
Gross Class II		3,429,029	7.141		
Less Other Source		952,931	2.809		
Producer Milk Class II	16.1	2,476,098	8.807487	6.676016	165,304.70
TOTAL PROD. (Cl. I + Cl. II)	100.0	15,403,550	4.421708		815,822.49
Add Fractional Adjustment					0.02
Add Compensatory Payment Value and Inventory Reclassification Value					3.37
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,615.24
TOTAL VALUE AT TEST		15,403,550	4.421708		823,441.12
Less Test Over 3.5% @ 7.4¢ per point		15,403,550	.921708	0.682064	105,062.07
TOTAL VALUE AT 3.5%		15,403,550	3.5	4.663724	718,379.05
Less Producer-Settlement Fund Reserve		15,403,550		.043724	6,735.05
UNIFORM PRICE f.o.b. POOL PLANT - 3.5%		15,403,550	3.5	\$4.62	\$711,644.00

DECEMBER 1963 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)

BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.25	3.6	\$4.694	4.2	\$5.138	4.8	\$5.582	5.4	\$6.026
3.05	4.287	3.65	4.731	4.25	5.175	4.85	5.619	5.45	6.063
3.1	4.324	3.7	4.768	4.3	5.212	4.9	5.656	5.5	6.10
3.15	4.361	3.75	4.805	4.35	5.249	4.95	5.693	5.55	6.137
3.2	4.398	3.8	4.842	4.4	5.286	5.0	5.73	5.6	6.174
3.25	4.435	3.85	4.879	4.45	5.323	5.05	5.767	5.65	6.211
3.3	4.472	3.9	4.916	4.5	5.36	5.1	5.804	5.7	6.248
3.35	4.509	3.95	4.953	4.55	5.397	5.15	5.841	5.75	6.285
3.4	4.546	4.0	4.99	4.6	5.434	5.2	5.878	5.8	6.322
3.45	4.583	4.05	5.027	4.65	5.471	5.25	5.915	5.85	6.359
3.5	4.62	4.1	5.064	4.7	5.508	5.3	5.952	5.9	6.396
3.55	4.657	4.15	5.101	4.75	5.545	5.35	5.989	5.95	6.433

COMPARISON OF PRODUCER RECEIPTS AND GROSS CLASS I (DAILY AVERAGE)

Month	PRODUCER RECEIPTS			GROSS CLASS I		
	1963	1962	1961	1963	1962	1961
Jan.	493,008	473,584**	438,370	389,629	364,484	348,486
Feb.	497,477	487,977	441,509	406,650	370,985	356,369
Mar.	481,460**	491,493	470,370	400,023	379,540	358,734
Apr.	581,767*	536,251*	500,275*	436,741	352,989	344,138
May	561,122	522,955	499,424	425,232	356,897	335,018
June	536,089	486,065	460,325	386,749**	353,585	326,883
July	527,174	480,832	437,762**	393,963	338,196**	320,886**
Aug.	537,729	496,326	455,739	430,310	361,566	331,130
Sept.	559,667	508,196	490,621	450,863	385,941	392,792*
Oct.	531,484	525,753	484,032	477,892*	398,123	360,250
Nov.	517,129	500,139	472,399	477,597	408,567*	367,959
Dec.	519,303	496,731	476,780	443,411	372,053	352,155
Simple Average	528,617	500,525	468,967	426,588	370,244	349,567

* High Month of Year

** Low Month of Year

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/} Per Hundredweight				HANDLER CLASS PRICES ^{1/}			
	Uniform	Base	Excess	Bf.Dif.	Class I		Class II	
					Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Dec. '62	\$4.20	-	-	7.2¢	\$4.65	7.5¢	\$3.09	6.7¢
Jan. '63	4.29	-	-	7.2	4.70	7.5	3.09	6.7
Feb.	4.24	-	-	7.2	4.63	7.5	2.76	6.7
Mar.	4.33 ^{2/}	\$4.42	\$2.71	7.2	4.75	7.5	2.75	6.7
Apr.	4.23 ^{2/}	4.41	2.66	7.2	4.82	7.5	2.70	6.7
May	4.21 ^{2/}	4.34	2.62	7.2	4.79	7.5	2.66	6.7
June	4.17 ^{2/}	4.29	2.62	7.2	4.82	7.5	2.66	6.7
July	4.23 ^{2/}	4.39	2.62	7.2	4.83	7.5	2.66	6.7
Aug.	4.26	-	-	7.2	4.72	7.5	2.66	6.7
Sept.	4.30	-	-	7.4	4.61	7.5	3.20	6.9
Oct.	4.42	-	-	7.6	4.63	7.8	3.15	6.7
Nov.	4.69	-	-	7.4	4.88	7.6	3.13	6.7
Dec.	4.62	-	-	7.4	4.97	7.6	3.12	6.7
Jan. '64	-	-	-	-	4.97	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA	
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92° Butter ¢ Lb.	Chi.Area Powders ¢ Lb.	Minn.-Wisc. Mfg.Grade Milk \$-cwt-3.5%	
Dec. '62	2.75	3.09	3.081	57.98	13.86		3.11
Jan. '63	2.76	3.09	3.100	57.97	13.92		3.10
Feb.	2.76	3.08	3.100	57.94	13.95		3.10
Mar.	2.75	3.12	3.088	57.97	14.07		3.09
Apr.	2.70	3.09	3.031	57.97	13.97		3.08
May	2.66	3.09	3.000	57.97	13.94		3.07
June	2.66	3.12	3.000	57.97	14.04		3.08
July	2.66	3.12	3.000	57.97	14.03		3.09
Aug.	2.66	3.12	3.000	57.97	14.07		3.10
Sept.	2.66	3.20	3.000	59.70	14.18		3.12
Oct.	2.73	3.15	3.070	58.48	14.18		3.15
Nov.	2.80	3.13	3.138	58.09	14.26		3.16
Dec.	2.82	3.12	3.150	58.01	14.28		3.16

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
Dec. '62	14	513,390	372,053	367,468	496,731	-	668	744	-	-	4.41
Jan. '63	15	508,073	389,629	383,326	493,008	-	666	740	-	-	4.36
Feb.	15	543,735	406,650	400,237	497,477	-	694	717	-	-	4.32
Mar.	16	522,627	400,023	385,801	481,460	456,507	661	728	691	37	4.17
Apr.	16	638,439	435,455	429,486	581,762	523,349	706	824	741	83	4.02
May	16	608,217	424,730	418,446	561,115	517,411	701	800	738	62	4.01
June	16	587,215	386,749	380,119	536,089	497,678	700	766	707	59	3.99
July	14	575,549	393,963	387,683	527,174	479,294	697	756	688	68	3.99
Aug.	14	586,869	430,310	423,917	537,729	-	695	774	-	-	4.00
Sept.	14	593,494	450,863	445,015	559,667	-	694	806	-	-	4.02
Oct.	14	557,444	477,892	471,754	531,484	-	689	771	-	-	4.20
Nov.	14	541,145	477,597	472,618	517,129	-	684	756	-	-	4.29
Dec.	13	554,904	443,411	438,851	519,303	-	683	760	-	-	4.42

^{1/} Excludes Premiums^{2/} For Statistics^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I